

Ramona Schindelheim, WorkingNation editor-in-chief:

You are listening to Work in Progress. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators and decision makers, people with solutions to today's workforce challenges.

College has played a vital role in the economic growth and prosperity for many people in this country, but it has not been the silver bullet for everyone for a variety of reasons, with time and money being two of them. So what is the alternative for a country of employers desperate for talent and for job seekers who want to become part of that workforce of skilled and experienced talent? In his new book, Ryan Craig, managing director of Achieve Partners makes a very strong case that apprenticeship is one answer. Ryan's new book, Apprentice Nation, is out today. Ryan, congratulations and thanks for joining me on the Work in Progress podcast.

Ryan Craig, Achieve Partners managing director:

Thanks, Ramona. Great to be back. Good to see you.

Ramona Schindelheim, WorkingNation editor-in-chief:

So what's wrong with college?

Ryan Craig, Achieve Partners managing director:

I had two prior books, College Disrupted and A New U, where I feel like I covered a lot of that, so this is kind of the greatest hits of that. But I tried to summarize it as follows, which is I think colleges do as good a job as they've ever done at equipping students with the cognitive skills, critical thinking skills, problem solving skills, communication skills. The students need the problem. It's not college's fault. But the economy has changed. Digital transformation has fundamentally changed the skills that employers are seeking in employees and specifically for entry level employees. And AI is going to make it worse, and I'm sure we'll talk more about that.

That's the problem. I framed it in the book, is colleges are closed, right? I mean, the original colleges, the original universities were kind of like monasteries. They were secluded, protected regions where you could go and you could pursue the life of the spirit or the mind in a dangerous world. In many ways, they're still very closed off and they're closed off to the real economy in a number of ways that make it very challenging to address the shortcomings that we're seeing relative to equipping graduates with the skills that employers are seeking.

Ramona Schindelheim, WorkingNation editor-in-chief:

Give me a top line definition. What's an apprenticeship?

Ryan Craig, Achieve Partners managing director:

Yeah, an apprenticeship is unlike any other training or educational program or pathway. It is a job. It's a job first and foremost. And so I'm not sure I grasp that. When I first began working in this area, maybe a decade ago, I had the same bias, "Oh, that's just for plumbers and electricians and roofers." What's exciting about it is that it puts employment and the job first, which means that it's truly a level playing field, right? You don't need to worry about whether the job seeker or the prospective student can afford to take on a student loan debt or is willing to take on risk relative to ultimate employment. Those problems are solved because it is a job. It's a full-time job that pays a living wage from the get-go.

Ramona Schindelheim, WorkingNation editor-in-chief:

So an apprenticeship, a learn and earn model that can get to some of the issues of this leveling of the playing field, it can make it easier for someone to be able to learn what they need for a job, get the experience they need, and be able to afford it.

Ryan Craig, Achieve Partners managing director:

Well, yeah. And I think that equally important though, Ramona, is the fact that the skills, many of the skills that employers are finding hardest to find are skills that are much harder to learn in a classroom than they are in a work like setting, right? Think about the Salesforce platform for example. Can you really learn to use Salesforce and to be a Salesforce administrator or developer in a classroom? You kind of have to work on the platform and in that role and in the hospital or in the insurance company, whatever the applicable industry, is to understand and learn how to use it. And again, AI is going to exacerbate things. So digital transformation is putting a premium on learning by doing and actually I think reducing the value of classroom-based learning.

Ramona Schindelheim, WorkingNation editor-in-chief:

And while we have grown up, I grew up hearing, "Go to college. Go to college. Go to college," that's the path that we need to do. There's a certain stigma maybe because of that, it's only skilled trades, and I don't think people are thinking that there are really economically good. I mean, you can make a living, right? But is it going to be that prosperous, that prosperity? What do you think most Americans think of when they think of an apprenticeship? Is it a good thing or a bad thing?

Ryan Craig, Achieve Partners managing director:

It's a bad thing that they think it's solely a product of the trades, but that's a function of the fact that the US is last among developed countries in terms of apprenticeship infrastructure. So we've built a very robust college and university infrastructure in this country. We have virtually no apprenticeship infrastructure in this country, and that's why we have about only 500,000 apprentices. Sounds like a lot, but it's 0.3% of the workforce. We are last among developed countries in that area. Germany, Austria, and Switzerland are 10 to 15 times higher in terms of apprentices as a percentage of the workforce. And that might not be surprising to listeners. But the fact that the UK, Canada, Australian, France are about 8X where we are as a percentage of the workforce will be surprising.

20, 30 years ago, those countries looked a lot like the US in having a relatively small apprenticeship sector, about 70% in the construction trades, which is where we are today. Today in those countries, it is very, very common to launch a career as a software developer, as an accountant in healthcare through apprenticeship. It doesn't mean you're not getting a degree. You might get a degree. You might get a degree before or during or after, but the fact is that a career launch is no longer predicated on your ability to pay tuition, take out student loans, and/or persist for a four to six year period where you're not working full-time.

Ramona Schindelheim, WorkingNation editor-in-chief:

I'm not asking you to place the blame, but we have a registered apprenticeship program in this country. What's wrong with it?

Ryan Craig, Achieve Partners managing director:

Well, there are two things wrong with it. One is the funding of it. We spend about \$400 billion a year of taxpayer money on accredited colleges and universities through the federal student loan program, through state funding of their state college and university systems. 400 billion. We spend less than 400 million on apprenticeship, so less than 1/1000th. If you compare a college student to an apprentice and say, "Well, how much public support do they receive?", for every dollar that the apprentice receives of taxpayer support, the college student receives \$50. So I don't know whether the right ratio is 1:1, 2:1, 10:1, but it sure ain't 50:1 or 1000:1. That's not right. And it's not anywhere close to that in any other country in the world. So we are way out of balance in terms of the support we have, and that translates into lack of apprenticeship infrastructure in this country. We just simply don't have the number of programs.

In my book, the appendix is a directory of apprenticeship programs, registered apprenticeship programs outside of construction, because my point is that apprenticeships are not just for construction. So I excluded the construction apprenticeships and I looked through all the registered apprenticeship programs listed in the Department of Labor database and asked, "Well, which ones are actual apprenticeships actually hiring actual apprentices, where you could go and you could apply and you could get hired as an apprentice?" There are about 200 for the United States.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's amazing.

Ryan Craig, Achieve Partners managing director:

Yeah. Compared to 4,000 colleges and universities. Some of these programs are hiring a handful of apprentices each year. So it's tiny and it needs to be bigger. One problem is the level of funding. The second problem is how we're funding. So to the credit of the federal government, funding for the Office of Apprenticeship has increased significantly over the past seven years. So I think I'm not the only one who thinks that apprenticeship is a good idea. Lots of people think it's a good idea. The problem is that we aren't funding it the wrong way.

The Office of Apprenticeship has been every year or two putting together grant programs where they're issuing grants, where they're trying to pick winners, right? They're issuing grants. And those grants are going to community colleges, to workforce boards that don't actually create apprenticeship programs because they're not employers. An apprenticeship, first and foremost, is a job. So it has to start with the employer willing to employ an apprentice who's not going to be productive from day one.

These Department of Labor grants have been going to community colleges that use the money to create curriculum, the classroom component of the apprenticeship, what's called Related Technical Instruction or RTI and will register the program and then kind of sit on that curriculum waiting for an employer to come along and say, "We'd love to use your curriculum for our apprenticeship program." That's not how apprenticeships are created. The UK, Australia, France, Canada, we've seen how they do it. These governments have incentivized the establishment of a robust ecosystem of what I call apprenticeship intermediaries that do the hard work, do the heavy lifting of setting up and running these programs for employers.

No country in the world is a robust apprenticeship system been created because employers are doing it out of the goodness of their hearts. They don't, not even in Germany, Austria and Switzerland. In those countries, it's the chambers of commerce and unions who are playing the role of intermediary setting up and running these apprenticeship programs for employers. And their role in Germany, at least, is written into statute. They're required to do it by law. So we're not going to replicate that, but we can replicate

what the UK and Australia have done, which is to create not a grant-based funding, but formula-based funding where every apprentice hired and trained, you get paid for that. So if you're an employer, you get paid. If you're an intermediary, you get paid for hiring and training that apprentice program.

That's exactly what we've done in post-secondary education to create the robust ecosystem we have of colleges and universities, right? We have formula-based funding. It's called Federal Student Aid. So think about if we had grant-based funding in higher education, we'd have a couple hundred colleges that would be well-funded by the federal government, and then everyone else would be... There'd be no funding. So if you were rich, you could attend. And if you were poor, you couldn't.

So we need to move to formula-based funding with some of the work we've been doing and achieve at Apprenticeships for America, which is this nonprofit I helped created. It's a trade association of apprenticeship intermediaries. We've helped contribute to the first formula-based funding in the US, which is in California. California last year launched what's what they call the Apprenticeship Innovation Funding, where apprenticeship intermediaries get paid about \$4,000 for every apprentice they hire and train. And that we need to do that. Every state should be doing that. We should have that on a federal level, and the funding should be sufficient to incentivize the robust ecosystem of intermediaries.

The goal is we want thousands of intermediaries, for-profit, nonprofit, public sector, knocking on the doors of every large and mid-size company in this country offering to set up and run apprenticeship programs for them. And when we get that, we're going to have tens of thousands of apprenticeship programs and millions of open seats in apprenticeship programs where these apprentices are going to be hired. And that is sort of our vision of an Apprentice Nation where we have as many seats as we have seats in colleges and universities, and a high school graduate seeking to launch a career will have a true choice between paying tuition, taking on debt, investing in themselves not working, or pursuing an earn and learn pathway from the get-go.

Ramona Schindelheim, WorkingNation editor-in-chief:

Have you seen any progress in that? I know you said you've been working here at California with that. Has there been any programs that you'd like to give a shout-out to?

Ryan Craig, Achieve Partners managing director:

Yeah. I think there are other states that are doing a good job at setting goals around Indiana, Maryland. They're setting goals around apprenticeship without necessarily providing the funding for it. Other states are increasing funding, but at a low level. I mean, one thing that's obvious is that this is one of the few areas where folks on both sides of the aisle can agree. I haven't met anyone who, for political reasons, is against the idea of expanding apprenticeship programs. It is a good idea. We need to do it. The economy has changed. Colleges and universities aren't equipped to get everyone into a good job from the get-go. We need a greater diversity of career pathways. Apprenticeship is the gold standard, because again, it's a job that pays a living wage and has a career pathway built in.

Ramona Schindelheim, WorkingNation editor-in-chief:

You mentioned earlier in the conversation that AI is likely a player in this field. How so?

Ryan Craig, Achieve Partners managing director:

What AI is going to do is it's going to widen what I call the experience gap. So a lot of the challenges that young people have in launching careers... Look at cybersecurity for example. Cybersecurity, entry-level... If you want to become a tier one cybersecurity analyst, you want to break in. These job descriptions

asked for certifications that basically would require you to have been in the field for two years. That's an experience gap. That's a big problem. We see AI moving almost all jobs in that direction, and here's why.

Think back to your first job, your first good job out of college, you probably spent, I don't know, maybe half your time doing menial work that you were getting done while you actually learned your job, learned the business, became more productive and became able to do higher value activities.

Generative AI is going to do most of that menial work such that the expectations in a couple of years that employers are going to have on entry-level employees, you're going to be expected to do higher value work from the get-go. And that higher value work, you're not going to be able to do without experience. You're going to need to have experience to come into that job, leverage the AI, and do that higher value work. Network in your industry, help with sales, right? It's not just going to be simply going and helping develop a client presentation for an investment bank because the AI is going to put that together for you.

So those entry level jobs, there's going to be a greater experience gap. How are we going to close that experience gap? It has to be through something like an apprenticeship program where you're coming in, you're learning, you're earning, you're gaining experience, and then that employer then will have the opportunity to bring you on after you've had the experience of that apprenticeship program.

So I think that in a decade, most young Americans, whether they're coming from high school, whether they're coming from community college, whether they're coming with a bachelor's degree or whether they're coming with a graduate or professional degree, are going to launch their careers with something like an apprenticeship program of some kind. That apprenticeship program, sub companies will run themselves, more of them will be run by intermediaries.

Ramona Schindelheim, WorkingNation editor-in-chief:

And so when you think about where we're at, the skills gap, the experience gap, the high cost of four year school, it makes sense that apprenticeships could be a solution. But where do you see the friction? Where do you see the resistance still?

Ryan Craig, Achieve Partners managing director:

Well, it's not so much resistance. I think everyone agrees it's a good idea. The question is how to do it. And I think what the book charts is, well, other countries have gone down this road before, and we look in a deep way at what the UK and Australia have done, and we say, "Okay, here's what that would mean in terms of the US if we were to follow in their direction. And here's what that would mean for the future of hiring and a career launch and the future of education in this country." So that's really what the book is about. I hope that it can help stimulate the conversation at the federal and state level because look, we've just been doing it wrong. We've been doing it wrong.

I think part of the reason we've done it wrong, Ramona, is that it's been conflated with every other workforce and educational pathway. You look at how its apprenticeship is funded, right? Apprenticeship is funded out of the same dollars that are used to fund other workforce programs, but it's different. It's different because it's a job. It's a job first and foremost. And it means that it's not just a training program or pathway. It starts with an employer willing to employ an apprentice who's not going to be productive from day one, which means that we need a different approach to it. But the good news is that other countries have shown us the way.

Ramona Schindelheim, WorkingNation editor-in-chief:

So let's go full circle. What happens to college?

Ryan Craig, Achieve Partners managing director:

Yeah. Look, I think that colleges and universities, if you've read some of my writing, you know that I think that they do wonderful work in many ways, but they're resistant to change. I think that the way in which they're going to change is when prospective students vote with their feet and don't enroll. And they will change. And I think that this is all about building the apprenticeship infrastructure we need in order to provide options for millions of career launchers through apprenticeship so that those students will have a real choice. And colleges and universities that aren't addressing student needs will be forced to change because the students that they're expecting won't show up on their doorstep and won't be paying tuition anymore.

So I think it's a bit of a forcing function. It's not going to happen overnight. But as we build this apprenticeship infrastructure, it's going to happen slowly and surely. And of course, the top 50 or 100 schools, the brand name schools, the famous schools will always have a line out the door because of the value of that brand and credential. But we're talking about the other 95% of colleges and universities. And honestly, we've kind of seen it over the last couple of years at community colleges in terms of the enrollment declines. We've double-digit enrollment declines for consecutive years at community colleges. So I expect that to continue, and I expect that to continue until schools differentiate themselves and demonstrate to students their ability to move students from point A to point B, where point B is clear pathway to socioeconomic mobility in a good first job.

Ramona Schindelheim, WorkingNation editor-in-chief:

And I think that last part is extremely important. It is about the future of our nation and the future of our workers.

Ryan Craig, Achieve Partners managing director:

Yeah. A lot of the economic, political, and even social challenges we've had over the last decade come right back to the fact that the pathway to participating in the vibrant digital economy of this country has not felt open to people or has only gone through a four-year degree, which is not accessible to those without the means and without the support to persist through a four or five, six year journey without working full-time. So [inaudible 00:19:31] Apprentice Nation where there are millions of apprenticeships that can lead to careers in financial services, tech, healthcare, all the logistics, all the vibrant growing sectors of the economy is one where people are going to feel very differently about their prospects and about the country. And I hope that we can get there.

Ramona Schindelheim, WorkingNation editor-in-chief:

Ryan, thank you very much for the conversation. I appreciate it.

Ryan Craig, Achieve Partners managing director:

Thanks, Ramona. Always great talking to you.

Ramona Schindelheim, WorkingNation editor-in-chief:

I've been speaking to Ryan Craig. He's the author of the new book out today, *Apprentice Nation: How the "Earn and Learn" Alternative to Higher Education Will Create a Stronger and Fairer America*. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Thank you for listening.